

Move to Malta suits British tax exiles down to Valletta

Laurence Sleator

It has only been a few months since Louise Burley and her family moved from Wakefield to Ta' Xbiex in Malta but they are already loving it: "They drive on the same side of the road, there are red postboxes, HSBCs on the corner and they have Marks & Spencer."

She is not the only Briton to have packed up and moved abroad since Labour came to power. Malta, a sunny southern European archipelago, is proving to be a particularly popular destination.

"I don't think we could have coped with being in the UK much longer," Burley, 46, said. "We were getting ... squeezed every day, taxed on everything. We have a couple of houses we rent out and there is hardly any point in keeping those."

Her husband Kevin, 70, a former car dealership owner, secured a retirement visa which offers Britons a flat 15 per cent tax rate on any income — including pensions — remitted to the country.

Gains from assets overseas are tax free; there is no inheritance, wealth or estate tax to pay; and the visa includes access to statutory healthcare.

To qualify the applicant must purchase a property of at least €275,000 (about £240,000) or rent somewhere for no less than €9,600 per year (£8,440, or just over £700 a month), making it very accessible for many.

Similar visas are available for those who have not retired, affording many of the tax perks of the non-dom status abolished by Labour earlier this year.

The possibility of Rachel Reeves raising capital gains tax (CGT) again at the next budget also concerns wealthy individuals, according to Jamie Favell of the Tax Advisory Partnership, which specialises in cross-border tax planning. "Crucially, capital gains are exempt from Maltese tax," Favell



It was 22C yesterday in Sliema, on Malta's east coast. Bradley Thurston said he and his wife would never return to Britain

said. "If you were a Maltese resident and sold a UK business, you wouldn't pay any UK CGT or any CGT in Malta — a saving of up to 24 per cent."

He added Malta's status as a former British colony with similar tax laws meant the system was "straightforward", so many were considering it alongside places such as Dubai, Portugal and Italy.

"Our client base is predominantly wealthy foreign clients," Favell said.

"They are very unsettled by the changing tax landscape in the UK. They had the abolishment of the non-dom tax regime, now there is so much speculation about exit taxes and taxes increasing generally ... they are looking at their options and a lot are consider-

ing leaving. The more tax changes the government makes the more wealth they are going to drive out the UK."

Malta and the UK share strong cultural ties. After the British helped liberate the island from Napoleon, Malta was part of the empire for 150 years until it achieved independence in 1964. Elizabeth II lived on the outskirts of Valletta, the capital, for two years while Prince Philip was serving in the Royal Navy. A part of the Commonwealth, Malta's tax, legal and education systems are strongly influenced by the British. The country's two official languages are Maltese and English.

Education is another selling point. Malta has many well-respected independent schools that are cheaper than their equivalents in the UK. The Maltese government offers tax breaks to parents who go private, for easing pressure on the state sector. Burley said moving had cut school fees in her half for her 13-year-old son, Freddie. "The

money we will save on the tax will pay for the school," she said.

Louise Salmond Smith, the founding head teacher at Haileybury Malta, which charges up to €19,158 (£16,845) a year, said there had been a "clear" rise in inquiries and applications from British families over the past year. "Families are generally fond of the UK, but are not inclined to live there at the moment," she said. "The cost of living versus quality of life is often ... cited as a reason to think about moving elsewhere, and many say they don't think things are likely to improve very soon."

Bradley Thurston, 54, made the decision to move permanently to the Maltese suburb of Xemxija in July when he was faced with a large bill to renew his wife's British visa. "[She] is putting her salary in the bank and we are living off mine. It's a no-brainer," the security operations manager said.

"We will never come back. The only thing I miss is the football."

